

SPEECH

by

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Ladies and Gentlemen:

Every time I rise at an occasion like this, I find myself somewhat unbelieving that as the Deputy Director of America's secret intelligence agency I am talking in a public place. A couple of years ago this would have been absolutely insane. I always have heads of foreign services come to see me at Langley, Virginia, near Washington, where our Headquarters is, and sometimes they have a glazed look on their faces. And I said, "What is it? You look as if you've seen something." They said, "I did; as I turned off there I saw a great big sign and it had an arrow pointing and it said, 'CIA' and I can't believe it." But this is part of our American way of doing things which is somewhat different from the way other people do them.

Some reference is made to my languages. Well, they are sometimes an asset and sometimes they can get you in trouble. About ten or twelve years ago I was in Brazil as the Military Attache and I was watching a parade alongside of the Soviet Ambassador. He had been six years in the United States and he spoke very good English. He turned to me out of the blue and he said, "The trouble with you Americans is you never want to learn anybody else's

language." And I said, "Well, that may have been true a couple of years ago, Mr. Ambassador, but it isn't true any more." But my next thought was that he hasn't read my biography like I've read his. He said, "Yes, you have no gift; you are not like us Slavs, you do not speak languages." I said to him in Russian, "Mr. Ambassador, that's a lot of garbage," only the word I used was not "garbage" but out of respect for the ladies present... if any of you know Russian, the word is "gavno." That kind of shook him, so I stepped in for the kill and that's when disaster struck. I said to him in Russian, "Mr. Ambassador, would you like to try Portuguese?" knowing that I spoke it much better than he did. He looked at me and he said in English, "Walters, you may be good soldier, but diplomat you are not."

When I came to my present job, one of the first questions I asked was, "Where is Andrei Konstantinovich Fomin" and my people said, "Who is Andrei Konstantinovich Fomin?" "Well," I said, "ten years ago he was the Soviet Ambassador to Brazil." So they went outside, punched their computers and they came back in a minute or two and they said, "He is now Soviet Ambassador to Bangladesh." I said, "Thank you very much; I have been fully revenged." That is not exactly a tremendous upcurve ten years later.

But I would like to talk a little bit about the subject that has occupied most of my adult life, at least after the period when I left an insurance company here in this city where I was a claims adjuster. My father was an old Englishman; he had been the United States manager of this company and wanted one of his sons to go into it. None of my brothers would and I was the youngest son so I got euchred into the insurance company. I had a pretty good job; I used to deal with all the foreign language claimants who lived within a couple of hundred miles of New York. But I knew this wasn't what I wanted to do with my life in my particular case. So when the war started, I went to my father who was an old Englishman and I said, "You know what's going to happen, don't you?" He said, "Yes." I said, "You don't expect me to stay here, do you?" He said, "No, you can go." So I always say that Adolph Hitler did at least one good thing in his life, even though he never knew about it: he got me out of my father's insurance company, with his blessing, which I had not expected to get.

What is intelligence? Why do we need it? Intelligence is information, painstakingly collected, analyzed, and

disseminated in a time period that makes it intelligence. No matter what intelligence you get, if you don't get it to the policymakers quickly, it isn't intelligence, it's history and is of no real value to them.

Why do we need it? We need it because the United States today is in a different situation to any it has been in in the past, at least since Valley Forge. The time factors, the distance factors and everything else that always gave us the ability to sit back and look at what was happening and get ready for it are gone. At the dawn of our history we were told, as a nation, that eternal vigilance is the price of liberty. But they were talking about a country that had a two- or three-month cushion of time on either side. Not to mention friendly powers who would be there and interpose themselves and so forth. But the cushion now is from 15 to 30 minutes. Not since Valley Forge has the United States faced another real global power. Germany, at the height of its power, was fundamentally a European power. It could send some submarines. Maybe, if the war had gone on a year more, the Germans could have gotten one airplane over here or something psychological like that, but Germany was not a global power.

The Soviet Union is a global power. And Angola has shown us that the Soviet Union is not only able but willing to project its strength many thousands of miles from the Soviet Union. For the first time in our history as an independent nation, another nation has the capability of inflicting grievous if not mortal damage on us. This is the first time since our birth as a nation that this has been true; and the time factors are so condensed. We need intelligence for the same reason that America has always needed intelligence. But the urgency is far greater today than it has ever been in the past.

Now how do we collect this intelligence that is so vital to our country? Well, we collect this intelligence in basically three major ways. We collect it overtly through the press, through radio broadcasts, through our embassies, through all of the open media available in the world today. This probably gives you 50 percent of your total intelligence. But it is the easiest 50 percent. And then we collect it with the great technological systems --which is one of the great contributions I think America has brought to what I believe to be the oldest profession in the world.

There are others who think another profession is the oldest, but I always say that you had to know where it was before the other could operate and that was intelligence.

We collect it, with these vast technological, photographic, electronic systems that sometimes boggle the mind. And you get a lot of very important stuff. For instance, in the early 1960s there was a great debate in this country as to whether there was a missile gap or not. That debate is impossible today. We know what they have and, more importantly, they know that we know. As a matter of fact, sometimes in our negotiations some of the top people in their delegation, when we've been discussing what they have, will come to us privately and say, "Why are you telling all these other people about this; they are not supposed to know this"...about themselves mind you. These techniques get you a lot and they get you much tougher intelligence.

But no satellite will get you through a roof. Nothing will get you what's inside a man's mind, except another man or someone who can tell you: the human source. For instance, you've heard trumpeted the fact that we did not predict the Yom Kippur war. We saw and knew what forces were present, but those forces had been

present for a long time. What we did not know was the decision to go at 2:00 o'clock in the afternoon of the 6th of October. Basically that decision was held to a very small number of people. And one of the constant things we have to do is to try and get somebody with access, in the nations that are important or that could affect our lives, to that small number of people. This is espionage. It's against the law of other people's countries. Someone said to me, "Isn't this illegal?" and I said, "Yes, in other countries it's illegal."

As a matter of fact, we have in our national character a faintly pharisaical streak which tends to say, "Oh, that dirty stuff is all right for those dirty old British, Russians, French and Germans, but not for us pure upstanding fine Americans--we don't do that sort of thing." Well, this just doesn't take account of our national history. Our national history is that the United States, in every one of its wars, has developed a great intelligence capability and immediately the war is over, it has set about with the same gusto destroying it. This time we took a little longer--we had the Korean War, we had the Vietnam War, and we took a little longer.

The wreckers have gotten to us and have been trying to work on us, but I am happy to tell you that they have



not had the kind of success I feared they might when all this started.

People think always of intelligence as some sort of form of making war, as a force for war and hostility. Well, if you're forced to it, yes it is. But it is also a force for peace. No American President could sign any kind of an arms limitation with a power like the Soviet Union unless he had the means of checking to see whether that agreement was being complied with or not. The very existence of an effective American intelligence establishment inhibits any nation that might try and surprise us or move against us.

Mr. Stimson, in 1932 when he was Secretary of State, was given a decoded message of another country. And he pushed it away saying, "Gentlemen don't read other gentlemen's mail." Ten years later as Secretary of War, he couldn't get hold of enough "other gentlemen's" mail to read. Not Mr. Stimson individually, but that kind of a mentality led us to Pearl Harbor. Now the last great intelligence investigation we had was in 1946 when it was asked, "How did Pearl Harbor happen? How were we surprised?" And this brought out the fact that in many parts of the U. S. Government there were scraps of information which were being squirreled away by the various people who had

them. Had they all been brought together, I can't tell you that we would have been able to avoid Pearl Harbor, but the damage would certainly have been less. And so it became clear that the United States, in this shrunken world, needed some sort of central repository where all of its intelligence could be brought together and carefully analyzed as to what it might mean for us and for our nation. And so, in the National Security Act of 1947, the Central Intelligence Agency was created. Frankly it was created to collect intelligence and do espionage. But the Congress wouldn't put that in writing. What they said was that we were to do "such other things as the National Security Council might direct," because, as is well known, Americans don't do that sort of thing--only those dirty Europeans and Asiatics do it; we don't do that sort of thing.

Well, to go back to this business about the "Founding Fathers wouldn't have approved of this," in this Bicentennial Year I have done a certain amount of research on this subject and it has brought out some interesting things--probably that George Washington was one of the most avid users of intelligence in American history.

George Washington wrote a letter to his chief of intelligence in New Jersey in 1779. It was a very brief letter and this is what it said, "The need for procuring good intelligence is so obvious that I have nothing further to add on this subject. All that remains for me is to tell you that these matters must be kept as secret as possible. For lack of secrecy such enterprises, no matter how well conceived, generally fail. I am, Sir, your Obedient Servant, George Washington."

Just up the road here from New York, General Washington spent the night at the home of a sympathizer of the Revolution, in Connecticut, a Mr. Holcomb. In the morning he left the Holcombs, and he got up on his horse to ride on. Mrs. Holcomb came out to see him off. She said to him, "General, pray, where do you ride tonight?" He leaned low in the saddle and in a low voice he said, "Madame, can you keep a secret?" She said, "Of course." He said, "So can I, Madame," tipped his hat and rode on.

Among other things, George Washington organized three separate attempts to kidnap Benedict Arnold and I think we all know what would have happened to Benedict Arnold if General Washington had got hold of him. He also attempted to kidnap King George III's fourth son who

was a midshipman in the Royal Navy right in this city. There was actually a shoot-out outside the Prince's house, but he didn't make it. Fifty years later the Prince had become King William IV of Great Britain and the American Minister went to see him and told him this story and said, "But General Washington had issued very strict instructions that you were to be well treated," and King William said, "Well I am damned glad he didn't get an opportunity to prove it to me."

Then we have Benjamin Franklin. Now Benjamin Franklin for three years before the Revolution, when we were all loyal subjects of King George III, was the Assistant Postmaster of British North America, from 1772 to 1775. And I need not tell you what he was doing! He was opening that mail like crazy. The British caught him; he was tried by the Privy Council and fired. Then he went off to France where he was one of the three American Commissioners to the French government to try and get the French into the war. I regret to tell you that his office was completely penetrated by British intelligence.

Not long ago I was down in Florida and happened to see Anthony Eden who is now Lord Avon. He was telling me

what a hard time one of his ancestors, Robert Eden, had in Maryland, because the Americans thought he was a British sympathizer and the British thought he was an American sympathizer. And I said, "In the meantime, his brother, William, in Paris was totally penetrating Benjamin Franklin's office." He looked serious and he said, "Oh, you know about that, do you?"

Forty-two hours after the French told Benjamin Franklin that France was coming into the war against Great Britain, that information was known to the British government in London, which is just about, in those days, the time it took a man to get on a horse, ride to Calais, take a boat, and ride from Dover to London.

I might add that Benjamin Franklin also had designed and had the French build him a printing press in Paris. Do you know what he printed on that printing press? British currency, British passports, and fabricated atrocity stories for insertion in the British press.

One really great story...the head of a friendly European service told me...was that on an island in the Pacific three guys were captured by the cannibals. And the King of the cannibals said to them, "I have bad news and good news for you. The bad news is that we are going to have you for

lunch tomorrow and we'll have to kill you quite early in the morning so the cooking will be completed on time. Now after that bad news, you need some good news and the good news is: I will give you anything you want short of setting you free in the meantime." So he turned to the Frenchman and he said, "What do you want?" The Frenchman said, "Well, if I am going to be executed in the morning, I think I'd just as soon spend my remaining hours with that beautiful cannibal girl over there." So they said okay and they untied the Frenchman and he and the cannibal girl went off to the woods. Then they turned to the Englishman and they said, "What do you want?" The Englishman said, "I want a pen and paper." They said, "What do you want a pen and paper for?" He said, "I want to write a letter to the Secretary General of the United Nations to protest against the unfair, unjust, and unsporting attitude you have adopted towards us." So they untied the Englishman, they gave pen and paper and a hut where he could write. Then they turned to the American and they said, "What do you want?" The American said, "I want to be led into the middle of the village, and I want to be made to kneel down and I want the biggest cannibal here to kick me

in the rear end." The Chief turned to his Vice-Chief and he said, "It's a weird request, but the Americans are a weird bunch. Since we promised, we've got to do it." So they untied the American, they led him into the middle of the village, and they made him kneel down. The biggest cannibal took a running leap, kicked that American and knocked him sprawling 15 feet. At this point the American whipped out a Tommy gun he had been hiding under his clothing, cut down the nearby cannibals and the rest fled. The Frenchman hearing the gunfire came out of the woods, and the Englishman hearing the gunfire came out of his hut. They looked at the American there with his smoking Tommy gun and said, "My God, do you mean to say you had that gun the whole time?" The American said, "Sure." And they said, "Well, why didn't you use it before now? Then this European telling me the story said, "The American looked at them with an expression of hurt sincerity and he said, 'But you don't understand. It wasn't until they kicked me in the rear end that I had any moral justification for such extreme and violent action.'"

Today we have another factor that bears upon us as never before, and that is economic intelligence. In the old days economic intelligence was a byproduct of a military

capabilities study. Today it is a vast science and art in itself. Today we have a situation we've never had before of foreign countries holding immense amounts of American currency--of Eurodollars and petrodollars being used around the world in ways that will affect the livelihood of an American worker in Atlanta or Omaha. We have to keep some track of this. We have to be able to warn our Government in some respect how this is going to be used in ways that will affect the United States livelihood, financial or economic position.

We have any number of these things which we are constantly required to keep track of. Our Government looks to us for answers and for information. We have in the United States Government what we call the Intelligence Community, which is all the agencies of the United States Government which are engaged in the collection of foreign intelligence. We meet about once a week, in the United States Intelligence Board--we've just been reorganized, we are going to have to re-do all this--but something like the U. S. Intelligence Board will be reconstituted where the heads of the Defense Intelligence Agency, the Central Intelligence Agency, the FBI, the Treasury, the Atomic Energy people, the State Department and various other parts of specialized agencies in the United States Government which in some way are



engaged in the collection of intelligence. Now one of the things I would like to set at rest is the idea that the CIA has its packet of little secrets which it is holding out on and the Defense Intelligence Agency has its little packet of secrets, and some of the other intelligence services have theirs. That no longer exists. We are all working from the same data base. We are all reading the same telegrams. No, we don't always agree. But what we do is we send forward to our masters--the Director of Central Intelligence sends forward his estimate on a given area or on a given situation. If there is a dissent, and there often is, not only is the dissent recorded but the reasons for the dissent are recorded, so that the policy-makers in the United States get not only the best judgment of the Intelligence Community but also the views of the people who do not agree with the best judgment.

Now another thing I want to make plain is that the Central Intelligence Agency does not have policies of its own--I speak of the idea that the CIA is doing this or is doing that or is doing the other. Yes, there were a couple of occasions in the past, about which I will talk in a minute, where some of this may have gotten out of control, but basically the Central Intelligence Agency does what it's

told to do by the proper authority in the United States Government.

Now we have to answer to the American people, answer to the American policymaker, for a number of great questions. If I were asked what are the four greatest questions on which we owe answers to our Government, they would be: who will be in control of the Soviet Union five years from today; what will their attitude be to us and to our allies; what is there in Soviet research and development today that will impact upon us down the road? And those same questions for China. These are the really great questions for which our policymakers must have answers.

Let me illustrate what I mean about us not being a policy organization. Sometimes I go to the White House to a meeting where we present the intelligence picture--if they take option one, or option two, or option three or option four--all we say is "If you do this, this will probably happen; if you do that, this other thing will probably happen." One day I was there and Dr. Kissinger, who was presiding, went around the table. We discussed this, we presented the options, and then he asked Defense and they said "Do it, and he asked State and they said, "Don't do it," and he asked

Treasury and they said "Don't do it; it will cost money." He got to me and I said, "Do it," and he said, "You don't have any vote," and he went on to the next guy.

We do not have any say other than by presenting the intelligence; and, no, I can't tell it's all absolutely objective and perfectly impersonal--it isn't, it obviously is the distilled judgment of the people who have been working on it for a long time. Then they make the decision as to what they want us to do.

As I said, the time factors have been compressed. The volume of intelligence that we are required to produce has been increased. Now how do we do this? Well, I can't tell you how much money we individually spend in the CIA because the Congress this year on two separate occasions and by two-to-one majorities has refused to make public the budget of the Central Intelligence Agency. Why? If we made public the budget of the Central Intelligence Agency, the Capitol dome would not fall down; but if I could get the budget of the KGB over a period of years, I could tell a great deal from the rise and fall of the budget. Let me just illustrate it this way: Had the budget of the Central Intelligence Agency been published, the U-2 program would have shown, the raising of the submarine would have

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shown, and alerted them to the fact that there was some major program underway about which they should be particularly watchful.

What does it cost to collect this intelligence upon which the survival of the United States as a free nation depends? And it's not just our freedom. When you think that in the world today about 20 percent of the people are living in what we would call "freedom," we bear an even greater responsibility than for the survival of our own nation; we bear the responsibility for the survival of human freedom in some form, because of we fall there is no one else waiting to pick up that torch.

Now what do we spend for this? Well, I can just tell you that less than one penny out of every dollar spent by the Federal Government goes to this, for the collection of intelligence. Since 1969 the number of people working in intelligence in the United States has declined by 40 percent. In those same years since 1969, the manpower under arms in the Soviet Union has gone up by one million and the manpower in the United States has gone down by one million; net difference: two million.

Now in our present situation, in this atmosphere of so-called relaxation of tensions--which is what I must say since

other words are now inoperative;--we hope that this will lead to some sort of an agreement which will reduce the burdens on both peoples. But we must be watchful that it is reciprocal, it is mutual, and that no unfair advantages derive by one side or the other in this.

It reminds me of a story about two young Americans who were in Moscow and they were being taken around by a young Russian and he took them to see the Cathedral of Basil the Blessed, and the Novodevichy Monastery and the Palace of Congresses in the Kremlin. Then he took them to the zoo and they saw all these animals peculiar to the Soviet Union. He took them to this place and there was a great, big cage and in this cage there was a huge Russian bear, seven and a half feet high. The only other occupant of this cage was a rather worried-looking lamb who appeared to be in pretty good shape. So the young Americans were puzzled and they said to the young Russian, "Why do you keep those two in the same cage?" The young Russian said, "This is to prove that peaceful co-existence is possible." The young American said, "Well, that's pretty impressive," and his buddy said, "It sure is." The young Russian looked around, and seeing

no one, said, "Of course, you understand, every morning we have to put in a new lamb." And as long as you don't run out of lambs you're in great shape.

So we have to be watchful, we have to be in a position to tell our masters of any anomalies or ambiguities that we see in any of these areas.

What about the investigations? Well, the investigations have unquestionably revealed that a certain number of things were done that should not have been done. They revealed that the CIA and other parts of the Intelligence Community, like all other large, human organizations, had a certain number of zealots, kooks, and people who used bad judgment. I can't tell you we didn't have these; we did. But I can tell you that 76,000 people have passed through the Central Intelligence Agency in the last 27 years. If you examine any other community of 76,000 people, subject them to the kind of scrutiny we've been subjected to for the last 27 years, I think our record will not prove to be too bad.

You've heard all these accusations, but nobody has been indicted. Whatever evidence there is, that hasn't been enough to indict anybody, at least so far.

I came to the Central Intelligence Agency four years ago. I am not an old CIA man. People often ask me, "How do you feel after four years there?" And I say, "Well,

sometimes I feel like Jonah," because this all seemed to start about the time I went there. I could sum it up in one word: I am reassured. I am reassured by the competence, by the continuity, by the dedication, but most of all I am reassured by the people I find there. They are Americans like other Americans; they don't have a separate set of standards; they live by the same standards of the people in this room. I am as proud of my association with them as I am of the 35 years I have spent in the United States Army.

How have they reacted to all of this? We expected a lot of the older people who had lived in anonymity couldn't stand it, would resign and leave. We have had less voluntary resignations than at any time in the past, we have had far more young people trying to come to work for us than at any time in the past. Some of this is undoubtedly the economy; but the numbers are so much greater that it can't be just the economy. I believe these people, under a bombardment unprecedented in American history--nobody likes to be called "murderer," or "crook" or "plotter"--are continuing today to produce the best intelligence put before any government in the world.

I was asked about examples of success. President Kennedy once said to us, "You are condemned to be pilloried for your failures and to have your successes passed over in silence." If I've been looking through the Kremlin window there and I see what's going on and I tell somebody, they are going to find out and they are going to pull the blind down, and I am not going to see through any more. All I can say is that in a general way we correctly predicted and foresaw all of the developments of the major strategic Soviet weapons. Very accurately.

People say, "Oh, but you didn't predict this crisis or that crisis." No, we didn't; we did predict a great many but we did not predict one or two or three of four. Really, what we're trying to do is not to pluck a gold ring off the merry-go-round and predict that at two o'clock in the afternoon of the sixth of October the Middle East War will start. Our fundamental long-term duty is to broaden and deepen the knowledge of the policymakers about the problems they have to face. That is the fundamental thing that we have to do.



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Our nation survived a naval Pearl Harbor. I doubt we could survive a nuclear Pearl Harbor. The need for good intelligence is greater today, as I mentioned, than at any time since Valley Forge.

I can't tell you to sleep quietly. The world situation is not one where I can tell you to sleep quietly. All I can tell you is that the people in the Intelligence Community, in the organization to which I have the honor to belong, know what their responsibility is to you, the American people. We will do our best not to let you down.

Thank you very much.